

RESOLUTION NO. 06

A RESOLUTION AUTHORIZING THE CITY OF GARDNER, KANSAS PUBLIC BUILDING COMMISSION TO ISSUE ITS LEASE REVENUE BONDS, SERIES 2002A, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$4,000,000 FOR THE PURPOSE OF PAYING THE COST OF ACQUIRING CERTAIN REAL PROPERTY AND CONSTRUCTING, FURNISHING AND EQUIPPING CERTAIN MUNICIPAL BUILDINGS TO BE LOCATED THEREOF AND THE COST OF REFUNDING CERTAIN BONDS PREVIOUSLY ISSUED TO FINANCE A PORTION OF SUCH COSTS.

WHEREAS, the City of Gardner, Kansas Public Building Commission (the "Commission") is a duly organized municipal corporation created by the city of Gardner, Kansas (the "City"), under Ordinance No. 1948 passed on October 18, 1999, pursuant to K.S.A. 12-1757 to 12-1768, inclusive, as amended (collectively, the "Act"); and

WHEREAS, the Commission is authorized by the Act to issue its revenue bonds to provide funds for the purpose of acquiring, constructing, furnishing and equipping public buildings for use by the City, to lease such facilities to certain governmental agencies and to issue revenue bonds to pay the costs thereof; and

WHEREAS, the Commission adopted Resolution No. 01 on December 6, 1999, as amended by Resolution No. 02 adopted on January 15, 2001 (the "Resolution"), declaring its intention to acquire, construct, furnish and equip certain municipal buildings within the City for lease to the City, and to issue revenue bonds in a principal amount not to exceed \$4,360,000 to pay the cost thereof; and

WHEREAS, the Resolutions were each published in the official City newspaper once each week for two consecutive weeks, and a legally sufficient petition in opposition of either Resolution was not filed with the City Clerk within 30 days after the last publication of each Resolution; and

WHEREAS, the Commission has issued its Revenue Bonds, Series 2001, dated October 1, 2001, in the aggregate principal amount of \$1,000,000 (the "Series 2001 Bonds"), for the purpose of paying a portion of the costs of acquiring, constructing, furnishing and equipping certain municipal buildings (the "Project"), as more fully described in the Indenture and in the Lease as defined in this Resolution; and

WHEREAS, the Commission does hereby find and determine that it is desirable that the Commission issue its Lease Revenue Bonds, Series 2002A, dated August 1, 2002, in the aggregate principal amount of \$4,000,000 (the "Bonds"), for the purpose of paying the costs of the Project including paying the cost of refunding and redeeming the Series 2001 Bonds; and

WHEREAS, the Commission advertised the public sale of the Bonds, received bids today in response to such sale notice and has determined the best bid for the purchase of the Bonds which bid is attached to this Resolution as Exhibit A; and

WHEREAS, the Commission further finds and determines that it is necessary and desirable in connection with the issuance of said Bonds to execute and deliver (a) a Restated Trust Indenture dated as of August 1, 2002 (the "Indenture"), between the Commission and INTRUST Bank, N.A., Wichita, Kansas, as Trustee (the "Trustee"), for the purpose of issuing and securing the Bonds as provided therein, and (b) a Restated Lease Agreement dated as of August 1, 2002 (the "Lease"), by and between the City, as lessee, and the Commission, as lessor, pursuant to which the Commission shall cause the Project to

be acquired, constructed, furnished and equipped and leased to the City in consideration of certain Rental Payments, and other charges provided for in the Lease;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF GARDNER, KANSAS PUBLIC BUILDING COMMISSION, AS FOLLOWS:

Section 1. **Definition of Terms.** All terms and phrases not otherwise defined herein shall have the respective meanings set forth in the Indenture and Lease.

Section 2. **Authorization of Lease, Project and Refunding of Series 2001 Bonds.** The Commission is hereby authorized to enter into the Lease, to complete the Project and to refund the Series 2001 Bonds all in the manner and as more particularly described in the Indenture and the Lease, at a cost to be paid by the Commission from the proceeds of the Bonds.

Section 3. **Authorization of and Security for the Bonds.** There is authorized and directed to be issued a series of revenue bonds of the Commission to be designated "City of Gardner, Kansas Public Building Commission Lease Revenue Bonds, Series 2002" in the aggregate principal amount of \$4,000,000 (the "Bonds") for the purpose of providing funds to pay the cost of the Project including the redemption and refunding of the Series 2001 Bonds. The Bonds shall be dated and bear interest, shall mature and be payable at such times, shall be in such form, shall be subject to redemption and payment prior to the maturity thereof, and shall be issued in the manner prescribed in and subject to the provisions, covenants and agreements set forth in the Indenture. The Bonds shall be special limited obligations of the Commission payable solely from distributions of Rental Payments to be made by the City pursuant to the Lease. The Bonds shall not be general obligations of or constitute a pledge of the full faith and credit of the Commission, the City, or the state of Kansas within the meaning of any constitutional or statutory provision.

Section 4. **Authorization of Bond Documents.** The Chairman and Secretary are hereby authorized to execute the following documents on behalf of the Commission in the forms presented to the Commission this date with such modifications as are approved by the Chairman and Secretary, and to execute such ancillary certificates and documents necessary to accomplish the purposes set forth herein and in such documents:

- (a) Indenture by and between the Commission and the Trustee, under which the Commission shall pledge and assign to the Trustee, for the benefit of the owners of the Bonds, the Trust Estate created by the Indenture, all upon the terms and conditions set forth in the Indenture;
- (b) Lease by and between the Commission and the City, under which the Project is leased to the City with an option to purchase;
- (c) Bid for the purchase of the Bonds in the form attached hereto as Exhibit A.

Section 5. **Official Statement.** The Commission ratifies and confirms its prior approval of the form and content of the Official Statement and deems it final except for the omission of certain information as provided in Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "SEC Rule"). The Commission further approves the form and content of any addenda, supplement, or amendment thereto utilized to prepare the final Official Statement and deems such Official

Statement "final" in accordance with the provisions of the SEC Rule. The Chairman and Secretary are authorized to execute and deliver a certificate pertaining to the accuracy and adequacy of the information in the Official Statement.

Section 6. Tax Covenant. The Commission covenants and agrees that (1) it will comply with all applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), including Sections 103 and 141 through 150, necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds; (2) it will comply with all requirements of Section 148 of the Code to the extent applicable to the Bonds; (3) it will use the proceeds of the Bonds as soon as practicable and with all reasonable dispatch for the purposes for which the Bonds are issued; (4) it will not invest or directly or indirectly use or permit the use of any proceeds of the Bonds or any other funds of the Commission in any manner, or take or omit to take any action, that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code; and (5) it will not use or permit the use of any proceeds of Bonds or any other funds of the Commission nor take or permit any other action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Bonds. The Commission will, in addition, adopt such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions, in order to ensure that the interest on the Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the Commission.

Section 7. Designation of Bonds as Qualified Tax-Exempt Obligations. The Commission ratifies the designation by the City of the Bonds as "qualified tax-exempt obligations" as such term is defined in Section 265(b)(3) of the Code.

Section 8. Sale of Bonds. Subject to the conditions set forth in the Indenture, the Bonds shall be sold and delivered to bidder identified on the bid form attached to this Resolution as Exhibit A.

Section 9. Execution of Bonds and Other Documents. The Chairman is authorized and directed to execute the Bonds and deliver the same to the Trustee for authentication on behalf of and as the act and deed of the Commission in the manner provided in the Indenture. The Chairman is further authorized and directed to execute and deliver the Indenture and the Lease for and on behalf of and as the act and deed of the Commission in substantially the form presented to the Commission with such corrections or amendments as the Chairman shall approve, which approval shall be evidenced by the execution of such documents, and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution. The Secretary of the Commission is authorized and directed to attest the execution of the Bonds, the Indenture, the Lease and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution.

Section 10. Pledge of the Rental Payments. The Commission hereby pledges the Rental Payments received from the use of the Project to the payment of the Bonds in accordance with the Act. The lien created by such pledge shall be discharged when all of the Bonds shall be deemed to have been paid within the meaning of the Indenture.

Section 11. Further Authority. The Commission shall, and the officers, agents and employees of the Commission are authorized and directed to, take such action, expend such funds and execute such other

documents, certificates and instruments as may be necessary or desirable to carry out and comply with the provisions of this Resolution and to carry out, comply with and perform the duties of the Commission with respect to the Bonds, the Indenture and the Lease all as necessary to carry out and give effect to the transaction contemplated by this Resolution, the Indenture and the Lease.

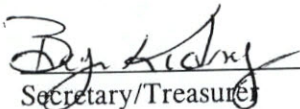
Section 12. Effective Date. This Resolution shall take effect and be in full force from and after its adoption by the Commission.

ADOPTED by the City of Gardner, Kansas Public Building Commission on July 15, 2002.



Chairman

Attest:


Secretary/Treasurer